THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

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A GLANCE OVER THE COUNTRY

The harvest is on: Over the face of the land men and horses are sweating away at the crops - cutting, curing, getting them into the barns and stacks and granaries.

In the East and Central States, haying and small grain harvest have been keeping everybody busy. There is a big hay crop, an oat crop larger than last year, but slightly smaller then average. Barley and rye are fair crops, rye considerably larger than last year. In general, the outlook is that the country's livestock will have a very ample supply of feed the coming winter.

In the wheat belt, from western Nebraska to the Northwest, the binders and headers and threshers are feverishly at it. New southwestern flour is in the markets, and we shall soon be eating bread from new spring wheat. The latter crop is estimated to be above average (248 million bushels against 208 million last year, and 233 million five year average). The total wheat crop is estimated at something over 800 million bushels: a little above last year and average.

There is a splendid crop of fruit ripening on the trees, and for those who smoke a tobacco crop apparently bigger than average.

All in all, the crops are a bright spot in a troubled economic universe. We wonder if the average citizen realizes how stabilizing in time of stress is the fact that the farmer has gone right on hoeing corn, and that the weather has been reasonably kind? A crop failure - of a principal crop - and we might have more disturbing history ro record:

THE FARMER'S POSITION

Deflation is a painful process. It seems to be inevitable, however, following inflation, and just as little a respecter of individuals - or groups. Sooner or later it hits us all. Thus in turn we endure the cramps and rackings of economic indigestion, take our medicine, and finally emerge unhappy but often thankful convalescents.

This time the pangs of readjustment overtook the farmer first. When prices began to fall in 1920, the slump in farm products was from an index figure of 246 to one of 106, or practically to pre-war level. But urban products stayed 60 to 100% higher. The farmer found his purchasing power just about cut in two. For him the war was more than over:

This meant readjustment. The farmer had no choice. He fixed up the old machinery, reduced the hired man's wages, cut expenses to the bone, his wife made over her's and the children's clothes, in some regions the children even had to be taken from school. And in spite of best efforts thousands of men lost their farms in 1920 and 1921. The farm hand shared adversity. In 1921, according to Professor Pearson of this Department, the indices of wages were: railway employees 222, miners 191, farm hands 141 (year 1913 being 100). Readjustment was made and made without strike, Governmental interference, or stoppage of production.

The farmer has taken his privations and hardships. He has been through the mill. Now, just as he is in some measure convalescent, he sees other members of the economic family, overtaken by the necessity of the times, refusing to take their medicine, fighting and squirming and generally upsetting the family welfare.

It is not to be expected, therefore, that the farmer views the present industrial situation with favor. He is not unsympathetic toward the needs of other men, being himself a laborer, a property owner, and invariably the supporter of a family.

But he has found this to be an inevitable period of economic readjustment. He has suffered his losses ahead of any other group, and not only has seen but still sees himself sorely penalized in the common exchange of goods and services.

The farmer is fully as important and as influential a part of the community as anybody else. While, therefore, he does not wish nor ecpect unreasonable concessions from other groups, he has a right to look for such readjustments in urban wages and charges as will react to the common good and to restoration of the economic equilibrium under which all producers undoubtedly prosper most.

ESTIMATED CROP PRODUCTION COMPARED WITH OTHER YEARS

The following shows production of important crops in 1913, during "wartime" period, last year, and estimates for this year. These are the compilations of the Division of Crop and Livestock Estimates, of this Bureau.

Figures given in millions, that is, six ciphers omitted.

Crop	1913 Production	1916-1920 Average	1921 Production	1922 July 1 Estimate
Wheat, Bu.				
Winter	523	566	587	569
Spring	240	233	208	248
All	763	799	795	817
Corn, bu.	2,447	2,831	3,080	2,860
Oats, bu.	1,122	1,413	1,061	1,187
Barley, bu.	178	197	151	182
Rye, bu.	41.4	67.8	57.9	82
Potatoes, bu.				
White	331	373	347	429
Sweet	59	88.8	98.7	111
Tobacco, lbs.	954	1,378	1,075	1,415
Flax, bu.	17.8	11	8.1	10.7
Rice, bu.	25.7	41.7	36.5	39.1
Hay, all, tons	64	102	96.8	107
Cotton, bales	14.1	11.9	8.0	11.5
Apples, bu. Total	145	179	98.1	190
Commercial, bbl.	___	26.8	21.2	31.4
Peaches, bu.	39.7	43.6	32.7	54.3

AVERAGE PRICES OF FARM PRODUCTS, MONTH ENDING JULY 1, 1922

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Live-Stock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available month.

	June 1913	June 1921	May 1922	June 1922
Cotton, per lb.	11.6¢	9.6¢	18.7¢	20.4¢
Corn, per bu.	63.2¢	62.2¢	61.6¢	62.2¢
Wheat, per bu.	81.4¢	112.2¢	116.5¢	102.6¢
Hay, per ton	$10.47	$12.61	$12.65	$11.91
Potatoes, per bu.	49.8¢	69.9¢	104.4¢	103.3¢
Beef cattle, per 100 lbs.	$6.02	$5.65	$5.70	$5.84
Hogs, per 100 lbs.	$7.61	$7.22	$9.05	$9.11
Eggs, per dozen	17.0¢	22.0¢	21.2¢	20.7¢
Butter, per lb.	24.7¢	29.0¢	33.5¢	32.7¢
Wool, per lb.	15.6¢	15.4¢	29.0¢	32.8¢

Cotton higher.

Corn, cattle, hogs, wool slightly higher.

Wheat lower.

Hay, potatoes, eggs, butter slightly lower.

PRICE INDEXES FOR MONTH ENDING JULY 1

1913 = 100

Farm products figures from Department of Agriculture; commodity groups from Bureau of Labor Statistics. Shows year ago, low point (December 1921), and latest available month:

Farm Products
(Prices at the farm)

	June 1921	Dec. 1921	May 1922	June 1922	Month Change
Cotton	79	130	151	164	- - Higher
Corn	105	72	104	105	"
Wheat	162	118	149	130	- - Lower
Hay	85	110	114	108	- - Lower
Potatoes	47	173	162	160	"
Beef cattle	96	78	97	99	
Hogs	96	89	121	122	
Eggs	100	265	110	104	- - Lower
Butter	109	152	124	121	- - Slightly lower
Wool	92	101	173	196	- - Higher

Commodity Groups
(Wholesale Prices)

	June 1921	Dec. 1921	May 1922	June 1922
Farm products	114	113	132	131
Food, etc.	137	139	138	140
Cloths & clothing	172	185	175	179
Fuel & lighting	191	187	216	225
Metals & met. products	133	119	119	120
Bldg. materials	163	203	160	167
Chemicals, etc.	133	161	122	122
House-furnishing goods	196	218	176	176
All commodities	142	149	148	150

RELATIVE PURCHASING POWER

(At June 1922 Farm Prices)

1913 = 100

In terms of:	Of a Unit of: Cotton	Corn	Wheat	Hay	Potatoes
All commodities	109	70	87	72	107
Cloths, etc.	92	59	73	60	89
Fuel, etc.	73	47	58	48	71
Metals, etc.	137	88	108	90	133
Bldg. materials	98	63	78	65	96
House-furnishing goods	93	60	74	61	91

	Beef cattle	Swine	Eggs	Butter	Wool
All commodities	66	81	69	81	131
Cloths, etc.	55	68	58	68	109
Fuel, etc.	44	54	46	54	87
Metals, etc.	82	102	87	101	163
Bldg. materials	59	73	62	72	117
House-furnishing goods	56	69	59	62	111

THE TREND OF PURCHASING POWER during June suggested the beginnings of that ironic process which the farmer remembers from time immemorial. When his crops begin to be harvested their purchasing power often begins to shrink. When he has little to sell and the barns are bare, then the purchasing power index looks good. This is, of course an economic occurrence which more or less hits all producers. Only it bears down rather hard on the farmer because it is a year between-times for him on most products.

Thus the purchasing power index during June was lower than the previous month for wheat, hay, potatoes, eggs and butter. It was higher for cotton and wool.

SIGNIFICANT MOVEMENT OF FARM PRODUCTS

Figures show corn, hogs, cattle receipts at primary markets; butter receipts at 5 markets; wheat (including flour) and cotton exports. All figures given to nearest thousand:

Month	CORN Receipts Th. Bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	BUTTER Receipts Th. lbs.	WHEAT Exports Th. Bu.	COTTON Exports Th. Bales
1921 June	35,240	3,579	1,580	82,882	26,781	495
1922 Jan.	52,097	4,278	1,628	41,697	14,985	475
" Feb.	58,330	3,612	1,416	38,894	10,991	338
" Mar.	31,035	3,411	1,622	44,919	14,371	461
" Apr.	14,552	3,067	1,470	42,694	10,244	612
" May	27,083	3,737	1,878	68,893	14,267	469
" JUNE	31,157	3,776	1,759	93,139	18,200	491

More corn went to market than previous month but less than last year.

Hogs and cattle marketed in about same volume as previous month.

Butter evidently went into storage in considerable quantity, as it usually does in June.

Wheat and cotton exports somewhat increased.

THE TREND IN EFFICIENCY OF AMERICAN AGRICULTURE

The American farmer is the most efficient agricultural producer on the face of the earth. A century ago we were ninety per cent an agricultural people - like the Chinese. Today about ten per cent of our population produce enough raw food and clothing materials to supply the Nation and considerable surplus to export. We revel in abundance, compared with any other country. Famine, or even serious shortage, is unthinkable to the average American citizen.

It is this agricultural production, unprecedented in history, which makes possible our marvelous industrial development, and our splendid progress in the institutions of civilization. There is hardly another great nation on earth whose statesmen would not consider their greatest national problems solved could they have back of them the American farmer and his productive powers.

The following brief figures, compiled by Dr. O. E. Baker of this Bureau, indicate some of the increasing efficiency in agricultural production:

	1880	1890	1900	1910	1920
Acreage of principal crops (millions)	167.2	220.7	277.4	303.6	347.4
No. persons engaged in agr. "	7.6	9.0	10.2	12.3	10.6
Acreage of principal crops per person engaged in agr.	21.8	24.4	27.1	24.6	32.6
No. horses & mules on farms (millions)	12.2	17.2	19.9	23.2	25.1
" " " " per person engaged in agriculture.	1.6	1.9	1.9	1.9	2.4
Value implements & machinery per acre of crops on basis of 1913 wholesale price	$1.83	$1.96	$2.55	$4.48	$6.43

	Average	1875-84	1885-94	1895-04	1905-14	1915-21
Yield per A. of ten leading crops		100.9	97.9	105.3	111.8	112.6
Production of 5 leading cereals per person engaged in agriculture		100.0	100.3	112.4	116.5	155.3

THE WHEAT SITUATION

Once more we come around to the time when wheat growers wonder what is going to happen to wheat prices. If we were on the other side of the Atlantic we should be just as keenly interested, only primarily from the standpoint of the man who eats the bread.

Nobody knows what will happen to wheat prices. If there were one single man who knew, he could live happily ever after.

Since Russia has been out of the exporting group, the world has gone along with exceedingly slim carry-over of wheat. It has looked to each new crop for grain enough to last twelve months. That is about the situation this year.

The statistics of estimated production and consumption have been frequently given. We will not repeat them here. It is too early to have anything but preliminary production estimates for the Northern Hemisphere, and too early for reliable preliminary estimates from the Southern Hemisphere.

In general, the world importers must buy upwards of 600,000,000 bushels more or less. In general, the United States may have 250,000,000 bushels more or less to sell; Canada perhaps 200,000,000 bushels more or less to sell; Argentina and Australia conceivably a total of 200,000,000 bushels more or less to sell. In other words, there is some reason to expect that wheat supplies will meet world needs, with a slight possible margin to spare.

The situation is closely balanced, however. And in view of that fact, there are two things in particular to keep an eye on the next month or two. One is the production statistics from Argentina and Australia, which may affect the market considerably. Another is American exports. The United States apparently has a crop which will permit exports of a million bushels a day average. Conditions are not unlike last year at this time, but Europe has demonstrated that she can buy and finance what wheat she needs. American farmers may well keep an eye on the buying during the next two months.